

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **China Shuifa Singyes New Materials Holdings Limited**

### **中國水發興業新材料控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8073)**

#### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of China Shuifa Singyes New Materials Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “Board”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 (the “Period”).

## FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue	<b>70,281</b>	54,923
Gross profit	<b>29,098</b>	21,094
Profit before tax	<b>11,976</b>	6,364
Profit for the period	<b>8,882</b>	5,965
Gross profit margin	<b>41.4%</b>	38.4%
Net profit margin	<b>12.6%</b>	10.9%
Earnings per share		
– Basic and diluted	<b>RMB0.016</b>	RMB0.013

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the six months ended 30 June 2025 – unaudited*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue</b>	<b>3</b>	<b>70,281</b>	54,923
Cost of sales		<u>(41,183)</u>	<u>(33,829)</u>
<b>Gross profit</b>		<b>29,098</b>	21,094
Other income, gains and losses		<b>2,030</b>	1,016
Selling and distribution expenses		<b>(2,059)</b>	(2,007)
Administrative expenses		<b>(12,506)</b>	(10,207)
Finance costs		<b>(489)</b>	(1,006)
Impairment loss on trade receivables		<u><b>(4,098)</b></u>	<u>(2,526)</u>
<b>Profit before tax</b>		<b>11,976</b>	6,364
Income tax expense	<b>4</b>	<u><b>(3,094)</b></u>	<u>(399)</u>
<b>Profit for the period</b>		<u><b>8,882</b></u>	<u>5,965</u>
<b>Other comprehensive income for the period:</b>			
Items that may not be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements		<u><b>701</b></u>	<u>950</u>
<b>Total comprehensive income for the period</b>		<u><b>9,583</b></u>	<u><b>6,915</b></u>

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b><i>RMB'000</i></b> <b>(unaudited)</b>	<b><i>RMB'000</i></b> <b>(unaudited)</b>
<b>Profit/(Loss) attributable to:</b>			
Owners of the Company		<b>8,359</b>	6,725
Non-controlling interests		<b>523</b>	(760)
		<u><b>8,882</b></u>	<u>5,965</u>
<b>Total comprehensive income/(expense) attributable to:</b>			
Owners of the Company		<b>9,060</b>	7,675
Non-controlling interests		<b>523</b>	(760)
		<u><b>9,583</b></u>	<u>6,915</u>
<b>Earnings per share for profit attributable to owners of the Company</b> (expressed in RMB per share)	<b>6</b>		
Basic and diluted		<u><b>RMB0.016</b></u>	<u>RMB0.013</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025 – unaudited

		30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		60,058	61,622
Equity investments designated at fair value through other comprehensive income ("FVTOCI")		2,513	–
Deferred tax assets		15,850	15,879
Right-of-use assets		11	1,316
Intangible assets		6,468	6,469
<b>Total non-current assets</b>		<b>84,900</b>	<b>85,286</b>
<b>CURRENT ASSETS</b>			
Inventories		29,461	25,620
Trade and bills receivables	7	86,516	70,906
Prepayments, deposits and other receivables		43,999	19,487
Restricted cash		5,996	6,068
Cash and cash equivalents		6,625	49,969
<b>Total current assets</b>		<b>172,597</b>	<b>172,050</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	8	37,851	26,432
Accruals and other payables		26,726	19,688
Contract liabilities		–	2,117
Short-term borrowings		5,000	30,000
Lease liabilities		11	77
Provision for product warranties		884	921
Tax payable		1,958	1,636
<b>Total current liabilities</b>		<b>72,430</b>	<b>80,871</b>
<b>NET CURRENT ASSETS</b>		<b>100,167</b>	<b>91,179</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>185,067</b>	<b>176,465</b>

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
<i>Notes</i>		
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	—	1,575
Deferred income	<u>1,364</u>	<u>1,628</u>
<b>Total non-current liabilities</b>	<u>1,364</u>	<u>3,203</u>
<b>NET ASSETS</b>	<u>183,703</u>	<u>173,262</u>
<b>CAPITAL AND RESERVES</b>		
Issued capital	35,415	35,415
Reserves	<u>144,476</u>	<u>135,509</u>
<b>Total equity attributable to owners of the Company</b>	<b>179,891</b>	170,924
Non-controlling interests	<u>3,812</u>	<u>2,338</u>
<b>TOTAL EQUITY</b>	<u>183,703</u>	<u>173,262</u>

## NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL REPORT

30 June 2025

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34 (“IAS 34”) “Interim Financial Reporting” as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Directors have at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continued to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

### 2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis, except for certain equity investments and financial assets which have been measured at fair value. These condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Other than changes in accounting policies resulting from application of new and amendments to IFRS Accounting Standards set as below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

#### **Application of amendments to IFRS Accounting Standards**

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standard which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

#### **Amendments to IAS 21**

#### **Lack of Exchangeability**

The application of the amendments to IFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE AND OPERATING SEGMENT INFORMATION

#### Operating segment information

The Group's revenue and contribution to consolidated results are mainly derived from its sale of ITO Film, Smart PDLC products, and LED Display and Projection System, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

#### Disaggregated revenue information

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Type of goods or services</b>		
Sales of ITO Film	8,101	9,062
Sales and installation of Smart PDLC products	55,780	39,966
Sales of other products	6,400	5,895
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>70,281</b>	<b>54,923</b>
	<hr/> <hr/>	<hr/> <hr/>

### 4. INCOME TAX EXPENSE

The amount of income tax charged to the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax – Mainland China	3,065	–
Deferred taxation	29	399
	<hr/>	<hr/>
	<b>3,094</b>	<b>399</b>
	<hr/> <hr/>	<hr/> <hr/>

### 5. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (2024: Nil).

No final dividend was declared for the year ended 31 December 2024.



## 6. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit attributable to owners of the Company of RMB8,359,000 (six months ended 30 June 2024: RMB6,725,000), and the weighted average number of 520,000,000 ordinary shares (For the six months ended 30 June 2024: 520,000,000 ordinary shares) in issue during the six months ended 30 June 2025.

No adjustment has been made to the basic earnings per share amount for the six months ended 30 June 2025 and 2024 in respect of a dilution as the exercise price of the Company's outstanding share options was higher than the average market price of the Company's shares during the six months ended 30 June 2025 and 2024.

## 7. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on invoice date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within 3 months	43,698	24,846
3 to 6 months	10,441	4,848
6 to 12 months	6,647	9,136
1 to 2 years	11,092	14,338
2 to 3 years	4,038	7,219
Over 3 years	10,600	10,519
	<u>86,516</u>	<u>70,906</u>

## 8. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the purchase recognition date, is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within 6 months	30,105	14,779
6 to 12 months	4,543	2,699
1 to 2 years	861	5,545
2 to 3 years	596	1,807
Over 3 years	1,746	1,602
	<u>37,851</u>	<u>26,432</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group carries out research and development on, and manufactures and sells new materials such as ITO film, Smart Polymer-Dispersed Liquid Crystals (“Smart PDLC”) products. The Group uses ITO film as one of the main materials for the development of downstream products, namely: (i) Smart PDLC film (Polymer-Dispersed Liquid Crystals film) series products; and (ii) Smart Light-adjusting Projection series products. The Group is one of the few integrated manufacturers in the PRC that is capable of independent researching and developing, production and sales of ITO film, Smart PDLC film, Light-adjusting Glass and multimedia projection series products.

In the first half of 2025, the Group continued to strengthen research and development, promote the iterative upgrading of products to realize industrialization and broaden the application fields of products. The orders for automobile light-adjusting film business increased substantially, the sales volume increased significantly, and the product income structure was continuously optimized, becoming the most promising profit growth point of the Company. At the same time, the Group actively established an automatic production line, which effectively reduced labor costs while improving production efficiency, and the average output per person increased significantly compared with the same period of the previous year, achieving continuous improvement.

**ITO film** can be applied for use in a variety of products (including touch screens, smart light-adjusting film products, flexible displays, wearable devices, etc.) by virtue of its advantages of flexibility, transparency and conductivity. The Group’s ITO film customers are primarily domestic touch-screen device manufacturers. Revenue from sales of ITO film was RMB8.1 million for the six months ended 30 June 2025, which represented a decrease of RMB1.0 million or 11.0%, from RMB9.1 million for the same period in 2024.

**Smart liquid crystal light-adjusting film**, also known as PDLC Film (Polymer Dispersed Liquid Crystal Film), can be adjusted from milky white, hazy, semitransparent and opaque to colorless and transparent after being electrified. PDLC Film can be used in windows and glass to control light penetration. PDLC Film can be integrated into smart liquid crystal light-adjusting glass after being compounded by high temperature and high pressure adhesive, or directly attached to the original glass surface, so that users can switch between transparency and atomization with one key, and can also control the light transmittance by adjusting the voltage of smart light-adjusting film. Smart liquid crystal light-adjusting series products cover light-adjusting films for buildings, light-adjusting films for automobiles and light-adjusting products for consumer electronics. The customers are mainly contractors of construction companies and developers, automobile OEMs, automobile glass manufacturers and consumer electronics manufacturers. Revenue from sales of smart liquid crystal light-adjusting series products was RMB55.8 million for the six months ended 30 June 2025, which represented an increase of RMB15.8 million or 39.5%, from RMB40.0 million for the same period in 2024.

**Others** include sales of other materials and products. The revenue from other products was RMB6.4 million for the six months ended 30 June 2025, which represented an increase of RMB0.5 million or 8.5% from RMB5.9 million for the same period in 2024.

Our Group strives to manufacture and supply high quality products to our customers, and our Directors believe that our Group is a reputable supplier of ITO film and Smart PDLC series products in the PRC. The key operating subsidiary of the Company was ranked as a leading manufacturer of Smart PDLC products in the PRC in terms of market share by revenue. During the six months ended 30 June 2025, our revenue has increased by 28.0% as compared to the same period in 2024. At the same time, the profit attributable to owners of the Group for the six months ended 30 June 2025 increased to RMB8.4 million from RMB6.7 million for the six months ended 30 June 2024. This is mainly attributable to an increase in the revenue from automobile dimming films for the six months ended 30 June 2025.

## **OUTLOOK AND PROSPECTS**

In view of the changing market trends and customers' preference, the directors of the Company consider that as one of the market participants active in the technology industry, it is very important for the Group's business to invest a lot of resources in research and development (including identifying new materials and applications), which is conducive to maintaining the Group's dominant position in the technology field and opening up new business growth points, which will enhance or maintain the Group's competitiveness. The directors of the Company consider that the current market demand of the Group by market share relating to its ITO film and smart liquid crystal light-adjusting series products is testimonial of the broad application prospects and good profit growth trend of its products.

Looking into the second half of 2025, the Group will continue to accelerate the improvement of the performance, quality and added value of products around different application scenarios and customer needs, providing strong support for expanding market share and improving profitability. On the one hand, the Group will conduct in-depth research on cutting-edge technologies and application development, focusing on new energy vehicles, consumer electronics, intelligent buildings and other segmented featured industries, and conduct in-depth research on emerging technologies such as EC (Electrochromism), SPD (Suspended Particle Device), dye liquid crystal and black PDLC film, focusing on the layout of cutting-edge products such as automotive light-adjusting film, high-performance shading black PDLC film and electrochromic film. In addition, the Group will enrich its product categories, continuously expand the application fields of smart liquid crystal light-adjusting products, build a sound intellectual property protection system, and promote the deep integration of technological innovation and industrial upgrading. On the other hand, the Group will accurately grasp market information and trends, timely adjust sales strategies, and reduce production costs, revitalize traditional business markets, increase the proportion of quality customers, actively seize market share and enhance market competitiveness and customer stickiness on the basis of ensuring the quality and qualification rate of products. Furthermore, the Group also plans to introduce new coating line equipment, laser trenching equipment and testing and experimental equipment, add cold storage systems, increase investment in equipment, promote plant upgrading and transformation, improve production efficiency, and support market development and order growth.

The Company is committed to gradually realize product iterative upgrading and market diversification development through continuous exploration and research and development of new technologies, new products and new processes, and will strive to transform our business model from a TP factory that sells construction pipelines to small and medium-sized enterprises and private business owners to a host factory that supplies products to large multinational corporations such as Fuyao, Saint-Gobain, and AGC, so as to improve the market share and influence of our products in the global market.

The Company believes that the products of the Group will be gradually used in more business fields, and the market share of the products of the Group will continue to expand in the future based on this trend. While diversifying our businesses to meet the challenges, the Group will prudently expand our production lines and carry out research and development projects after carefully analyzing the market dynamics and trends to meet the future market expectation demand. At the same time, the directors of the Company will pay close attention to economic changes, maintain prudent and steady strategies, and actively respond to the challenges and opportunities ahead.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue was RMB70.3 million for the six months ended 30 June 2025, which represented an increase of RMB15.4 million, or 28.1% from RMB54.9 million for the same period in 2024. The increase was mainly attributable to the increase of sales volume of Smart PDLC products.

### **Cost of Sales and Gross Profit**

Our cost of sales was RMB41.2 million for the six months ended 30 June 2025, which represented an increase of RMB7.4 million, or 21.9%, from RMB33.8 million for the same period in 2024. The increase in cost of sales mainly reflected the increase in sales volume.

Our gross profit increased by RMB8.0 million or 37.9%, from RMB21.1 million for the six months ended 30 June 2024 to RMB29.1 million for the six months ended 30 June 2025. Our gross profit margin slightly increased from 38.4% for the six months ended 30 June 2024 to 41.4% for the six months ended 30 June 2025. The increase was mainly attributable to the increase in the sales of Smart PDLC with higher gross profit margins as compared to the sales of other products.

### **Selling and Distribution Expenses**

Our selling and distribution expenses were RMB2.1 million for the six months ended 30 June 2025, which represented an increase of RMB0.1 million, or 5.0%, from RMB2.0 million for the same period in 2024. The expenses mainly included remuneration for sales and marketing employees based on sales performances and expenses relating to the Group's marketing efforts in business promotion and participation in exhibitions. The ratio of selling and distribution expenses to revenue decreased to 2.9% for the six months ended 30 June 2025, as compared to 3.7% for the same period in 2024.

## **Administrative Expenses**

Our administration expenses were RMB12.5 million for the six months ended 30 June 2025, which represented an increase of approximately RMB2.3 million, or 22.5%, from RMB10.2 million for the same period in 2024. The administrative expenses were 17.8% of the revenue for the six months ended 30 June 2025, as compared to 18.6% for the same period in 2024.

## **Liquidity, Financial Resources and Capital Structure**

Our Group's primary use of cash is to satisfy our working capital and capital expenditure needs. Historically, our Group's use of cash has mainly been financed through a combination of cash received from the sales of our products and financial support from our Group's related parties.

As at 30 June 2025, the Group had outstanding bank loans of approximately RMB5,000,000. Going forward, we believe our liquidity requirements will be satisfied using a combination of cash generated from operating activities, bank borrowings and proceeds from the Listing. Our Directors believe that in the long run, our Group's operation will be funded by internally generated cash flows and, if necessary, additional equity and/or debt financing.

## **Capital Expenditure**

For the six months ended 30 June 2025, our capital expenditure amounted to RMB11,928,277 (six months ended 30 June 2024: RMB1,687,000) which was mainly for improvement of production plant and purchase of machinery and equipment from a number of independent suppliers.

## **Equity Ratio**

Equity ratio is calculated by dividing the total liabilities by total equity at the end of the reporting period. At 30 June 2025, our equity ratio remained stable at 40.2% (31 December 2024: 48.6%).

## **Capital Commitments**

At 30 June 2025, the Group had no capital commitments (31 December 2024: RMB4,500,000).

## **Contingent Liabilities**

At 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

## **Pledge of Assets**

At 30 June 2025, the Group had no pledged deposits (31 December 2024: Nil).

## **Significant Investments, Acquisitions and Disposals**

The Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures, or hold significant investments during the six months ended 30 June 2025.

## **Foreign Currency Exposure**

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB, USD and Euro. Most of the Group's assets and liabilities are denominated in RMB, except for those of the overseas subsidiary in Hong Kong and the Company whose functional currency is HK\$. The Group's exposure to exchange rate risk is limited. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

## **IMPAIRMENT LOSS ON TRADE RECEIVABLES**

The Group has recognised RMB4.1 million as impairment losses charged on overdue trade receivables for the six months ended 30 June 2025, where most of the outstanding balances have an ageing of over three years.

### **Circumstances leading to the recognition of the impairment loss**

The Group understands that its customers and their repayment ability have been affected by the adverse business environment and the slow recovery of the economy. The customers of these trade receivables consist of various customers with long aging. The Group has been following up the status to understand the latest development of such customers. As at the date of this announcement, subsequent cash settlements of the trade receivables with ageing of over three years were low, of which the management of the Group considered unlikely to be recoverable.

### **Value of Inputs Used or Key Assumptions Adopted for the Impairment**

The Group carried out an assessment on the recoverable amount of trade receivables and estimated the amount of the expected credit loss (the "ECL") of trade receivables.



The valuation of trade receivables considered ECL method, in which the ECL is based on the assessments considering exposure at default, probability of default, and expected recovery rates from default, adjusted with forward-looking factor.

The key assumptions and inputs adopted in the estimation of the amount of the ECL of trade receivables valuation are as follow:

- (i) Estimation of exposure at default: For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group adopted simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
- (ii) Estimation of probability of default: The forecasted probabilities of default of trade receivables as at Valuation Date were based on historical default rates, which were collected from Moody's default study, and forward-looking factor, which was based on regression analysis. Regression input includes GDP growth rate and unemployment rate.
- (iii) Estimation of expected recovery rate: All trade receivables with ageing of over three years are assumed to be fully impaired. Since the customers have outstanding debts which for certain period of time, the recovery probability from these customers is questionable.

As it is the Company's assessment that the recoverable amount of overdue trade receivables of the Group with ageing of over 3 years is low, ECL was provided. Accordingly, allowance for expected credit losses for trade receivables has been made to the Group's unaudited consolidated financial statement for the six months ended 30 June 2025.

### **Valuation Method and Reason for its Adoption**

The Group's impairment assessment policy on trade receivables was set out in note 4 to the consolidated financial statements of the Company as included in the 2024 Annual Report.

The Group always recognises lifetime ECL for trade receivables and has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECLs on these items by using a provision matrix, grouped by past due status.

In completing the valuation, reference was made to generally accepted approaches to the valuation of trade receivables, as well as IFRS 9 in relation to the disclosure and presentation, recognition and measurement of financial instruments.

## **Actions to Recover the Trade Receivables**

While each case may have unique circumstances, the Company generally follows a series of steps to recover outstanding payments. Set out below are the usual actions undertaken by the Company:

1. Analysis and Communication
2. Reminder Notices
3. Payment Negotiation
4. Legal Actions
5. Debt Recovery Agencies

It is important to note that the specific actions taken may vary depending on the nature of the debt, the debtor's financial condition, legal considerations and also cost implications in recovering the debts. The Group's priority is to maintain open lines of communication, explore mutually beneficial solutions, and ensure fair treatment of all parties involved.

By following these usual actions, the Group aims to maximise the chances of recovering trade receivables while preserving relationships with our valued clients. Our dedicated team remains committed to resolving outstanding balances promptly and efficiently.



## USE OF PROCEEDS FROM THE LISTING

The Shares of the Company were listed on GEM on 21 July 2017 (the “Listing Date”) with net proceeds received by the Company from the Share Offer in the amount of HK\$93,500,000 after deducting underwriting commission and all related listing expenses.

An analysis of the utilization of the net proceeds from the Listing Date up to 30 June 2025 is set out below:

Business Strategy	Planned use of net proceeds as stated in the Prospectus <i>HK\$ million</i>	Actual balances of proceeds up to 1 January 2025 <i>HK\$ million</i>	Proceeds used during the six months ended 30 June 2025 <i>HK\$ million</i>	Actual use of net proceeds up to 30 June 2025 <i>HK\$ million</i>	Actual balances of proceeds up to 30 June 2025 <i>HK\$ million</i>	Expected timeline for unutilized net proceeds
Overseas business expansion	9.8	–	–	9.8	–	N/A
Research and development of new materials and products	21.2	–	–	21.2	–	N/A
Purchase of machinery and equipment for production of anti-ambient screen	6.8	–	–	6.8	–	N/A
Enhancement to wide ITO film	4.3	–	–	4.3	–	N/A
Sales and marketing effects in the PRC	8.7	–	–	8.7	–	N/A
Project for full automation of production line for Smart Light-adjusting Products	12.0	–	–	12.0	–	N/A
Establishment and mass production of domestic laser home cinema systems	3.0	–	–	3.0	–	N/A
Installation of extra-wide Production line for Smart Light-adjusting Products	11.5	9.2	–	2.3	9.2	By the end of 2025
Installation of fully automated production line for pressing of glass	9.0	4.9	–	4.1	4.9	By the end of 2025
Working capital	7.2	–	–	7.2	–	N/A

The business strategies as set out in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

As at 30 June 2025, approximately HK\$79.5 million out of the net proceeds from the Share Offer had been utilized. The unutilized net proceeds have been deposited in licensed banks.

The Company intends to apply the net proceeds in the manner consistent with that set out in the Prospectus to the extent appropriate. However, the actual use of proceeds was lower than the planned use of proceeds because of the delay in automation and installation of production lines. In response to the rapidly changing business environment, it has taken more time than expected to look for suitable machinery and equipment producers which could meet our production requirements. Also, our plan of installing new production line has been shelved temporarily due to the unstable environment and keen competition thereafter. The Directors will constantly evaluate the Group’s business strategies and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

## **DIVIDENDS**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2025, we had a total headcount of 115 full-time and part-time employees (2024: 108). The remuneration package of our employees includes a basic salary, allowances and bonuses. The various allowances cover holidays, social security and housing contributions. We make contributions to all mandatory social security and housing provident funds for our employees.

## **OTHER INFORMATION**

### **INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES**

As at 30 June 2025, so far as the Directors are aware, the following persons have or are deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”) or which were recorded in the register of the Company required to be kept by the Company under Section 336 of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

## Long position in the Shares

Name of shareholders	Capacity/ Nature of interests	Number of Shares held	Approximate percentage of shareholding (Note 3)
China Shuifa Singyes Energy Holdings Limited ("Shuifa Singyes")	Beneficial owner	324,324,325	62.37%
Water Development (HK) Holdings Co Limited ("Water Development (HK)")	Interest in a controlled corporation (Note 1)	324,324,325	62.37%
Shuifa Group Co., Ltd ("Shuifa Group")	Interest in a controlled corporation (Note 1)	324,324,325	62.37%
AMATA Limited	Beneficial owner	40,000,000	7.69%
Mr. Luo Jingxi	Interest in a controlled corporation (Note 2)	40,000,000	7.69%
Kunlun Holdings Group Limited	Beneficial owner	26,021,206	5.00%

### Notes:

1. Water Development (HK) is the legal and beneficial owner of 1,687,008,585 shares of Shuifa Singyes and have a security interest in 180,755,472 shares of Shuifa Singyes, representing approximately 66.92% and 7.17% of the issued share capital of Shuifa Singyes respectively. Water Development (HK) is beneficially and wholly-owned by Shuifa Group. As such, each of Water Development (HK) and Shuifa Group is deemed to be interested in the Shares in which Shuifa Singyes is interested under Part XV of the SFO.
2. AMATA Limited is legally and beneficially owned by Mr. Luo Jingxi, Mr. Hua Jianjun, Mr. Zhong Qibo and Mr. He Qiangmin as to 39%, 27%, 20% and 14%, respectively. Mr. Luo Jingxi is deemed to be interested in the Shares held by AMATA Limited under Part XV of the SFO.
3. The percentage is calculated on the basis of 520,000,000 Shares in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person or corporation other than the Directors and the Chief Executives whose interests are set out in the section “Directors’ and Chief Executives’ interests and short positions in Shares, underlying Shares and debenture of the Company and its associated corporations” below, had any interest or short position in the Shares or underlying Shares of the Company that was required to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

## **DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 June 2025, so far as the Directors are aware, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, have been notified to the Company and the Stock Exchange, are as follows:

### **Long position in the Shares**

<b>Name of Director</b>	<b>Capacity/Nature of Interests</b>	<b>Number of share held</b>	<b>Approximate percentage of total registered share capital (Note 3)</b>
Mr. Zhou Qing	Beneficial Interest	<u>1,556,000 (Note)</u>	<u>0.3%</u>

*Note:* The interest comprises beneficial interest in 556,000 Shares and interest in 1,000,000 outstanding share options under the Share Option Scheme. Details of the share options granted to Mr. Zhou Qing are set out above under “Share Option Scheme”.

### Long positions in the shares of Shuifa Singyes (Note 1)

Name of Director(s)	Capacity/Nature of Interests	Number of Shares held	Approximate percentage of
			total registered share capital (Note 2)
Mr. Zhou Qing	Beneficial Interest	229,000	0.009%

#### Notes:

1. Shuifa Singyes is listed in the Main Board of the Stock Exchange with stock code: 750. Shuifa Singyes is a holding company of the Company pursuant to the SFO.
2. The percentage is calculated on the basis of 2,521,081,780 shares in issue of Shuifa Singyes as at 30 June 2025.
3. The percentage is calculated on the basis of 520,000,000 in issue of the Company as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which was taken or deemed to have under such provisions of the SFO), or which was required to be recorded pursuant to Section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

### RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated corporations” above, at no time since the Listing Date and up to the date of this announcement, was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

## **CORPORATE GOVERNANCE**

The Board recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors consider that the Company has applied the principles and complied with all the applicable code provisions set out in the code provisions of the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules during the six months ended 30 June 2025 and up to the date of this announcement.

## **CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry to all Directors and all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding directors' securities transactions adopted by the Company during the Reporting Period.

## **EVENTS AFTER THE REPORTING PERIOD**

The Board is not aware of any significant events affecting the Group, which have occurred subsequent to 30 June 2025 and up to the date of this announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither did the Company nor any of its subsidiaries redeem, purchase or sell any of the Company's listed securities during the six months end 30 June 2025.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee on 21 July 2017 in compliance with Rule 5.28 of the GEM Listing Rules. Among other things, the primary duties of the Audit Committee are to review and supervise the Company's financial reporting process, internal control system and risk management system and to provide advice and recommendations to the Board on the appointment, reappointment and removal of external auditors.

The Audit Committee consists of three independent non-executive Directors, namely Ms. Pan Jianli, Mr. Zhang Yumo and Dr. Li Ling. Ms. Pan Jianli is the chairperson of the Audit Committee.

The auditor of the Company has carried out a review of the condensed consolidated financial statements of the Group for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee, together with the auditor of the Company, have reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters with senior management of the Company relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025. This announcement has been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting principles and practices adopted by the Group and that adequate disclosure has been made.

By Order of the Board  
**China Shuifa Singyes New Materials Holdings Limited**  
**Du Peng**  
*Chairman*

Hong Kong, 26 August 2025

*As at the date of this announcement, the executive Directors of the Company are Mr. Du Peng (Chairman), Mr. Zhang Chao and Mr. Zhu Xuping; the non-executive Director of the Company is Mr. Zhou Qing; and the independent non-executive Directors of the Company are Ms. Pan Jianli, Mr. Zhang Yumo and Dr. Li Ling.*

*This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)) for at least 7 days from the date of its publication and on the website of the Company ([www.syeamt.com](http://www.syeamt.com)).*